

## HOUSE BILL NO. HB0005

Severance tax distribution.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing for  
2 distribution of certain severance taxes as specified; and  
3 providing for an effective date.

4

5 *Be It Enacted by the Legislature of the State of Wyoming:*

6

7 **Section 1.** W.S. 9-2-1014.1(b), 39-14-211(e) (intro)  
8 and 39-14-801(b), (c) and by creating a new subsection (e)  
9 are amended to read:

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11 **9-2-1014.1. State budget; requests by recipients of**  
12 **certain earmarked funds for additional funding from the**  
13 **budget reserve account.**

14

15 (b) The total amount available for the purpose of  
16 this section shall be the estimated deposits into the

1 budget reserve account for the next biennial budget period  
2 under W.S. 9-4-601(d) (iv) and 39-14-801(c) (ii) and (e) (ii).

3

4 **39-14-211. Distribution.**

5

6 (e) Revenues to be distributed to local governments  
7 under W.S. ~~39-14-801~~ 39-14-801(d) shall be distributed as  
8 follows:

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10 **39-14-801. Severance tax distributions; distribution**  
11 **account created; formula.**

12

13 (b) [LUST] Before making distributions from the  
14 severance tax distribution account under subsections (c),  
15 ~~and~~ (d) and (e) of this section, an amount equal to the  
16 amount of tax collected under W.S. 39-17-104(a) (iii) and  
17 39-17-204(a) (ii) for the same period shall be distributed  
18 to the corrective action account created by W.S. 35-11-1424  
19 and to the financial responsibility account created by W.S.  
20 35-11-1427 in an inverse proportion to the amount in the  
21 two (2) accounts.

22

23 (c) After making distributions under subsection (b)  
24 of this section, distributions under subsection (d) of this

1 section shall be made from the severance tax distribution  
2 account. The amount of distributions under subsection (d)  
3 of this section shall not exceed one hundred fifty-five  
4 million dollars (\$155,000,000.00) in any fiscal year. To  
5 the extent that distributions under subsection (d) of this  
6 section would exceed ~~that amount~~ one hundred fifty-five  
7 million dollars (\$155,000,000.00) but be less than or equal  
8 to four hundred fifty-five million dollars  
9 (\$455,000,000.00) in any fiscal year, the excess shall be  
10 ~~credited~~ distributed:

11

12 (i) ~~One-third (1/3)~~ Twenty-three percent (23%)  
13 to the general fund; ~~and~~

14

15 (ii) ~~Two-thirds (2/3)~~ Forty-six percent (46%) to  
16 the budget reserve account; ~~;~~

17

18 (iii) Four percent (4%) to the road construction  
19 funds of the various counties as provided by W.S. 24-2-110  
20 to be distributed in the same proportion as provided by  
21 paragraph (d)(vii) of this section;

22

1           (iv) One percent (1%) to the state loan and  
2 investment board for the purpose of addressing mineral  
3 development impact assistance;

4  
5           (v) Ten percent (10%) to cities and towns, to be  
6 distributed as follows:

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8           (A) Communities with a population of fifty  
9 (50) persons or less - ten thousand dollars (\$10,000.00)  
10 each;

11  
12           (B) Communities with a population of fifty-  
13 one (51) persons up to one hundred (100) persons - thirty  
14 thousand dollars (\$30,000.00) each;

15  
16           (C) Communities with a population of more  
17 than one hundred (100) persons - fifty thousand dollars  
18 (\$50,000.00) each;

19  
20           (D) Any remainder shall be distributed in  
21 the same manner as provided by paragraph (d)(viii) of this  
22 section; and

23

1           (vi) Eight percent (8%) to counties, to be  
2 distributed as follows:

3

4           (A) Fifteen percent (15%) shall be  
5 distributed evenly to each of the twenty-three (23)  
6 counties;

7

8           (B) Eighty-five percent (85%) shall be  
9 distributed in the same manner as provided by paragraph  
10 (d)(vi) of this section.

11

12           (vii) Four percent (4%) to the highway fund;

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14           (viii) Four percent (4%) to water development  
15 account III only if the legislation to create the account  
16 is enacted by the legislature during the 2005 general  
17 session. If the account is not created during the 2005  
18 general session, then to water development account I under  
19 W.S. 41-2-124(a)(i).

20

21           (e) To the extent that the amount of distributions  
22 under subsections (c) and (d) of this section would exceed  
23 four hundred fifty-five million dollars (\$455,000,000.00)  
24 in any fiscal year, the excess shall be credited:

1

2

(i) One-third (1/3) to the general fund; and

3

4

(ii) Two-thirds (2/3) to the budget reserve

5

account.

6

7

**Section 2.**

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(a) For the 2006 fiscal year the amounts which would otherwise be distributed under W.S. 39-14-801(c) shall be reduced as follows:

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(i) The distributions under W.S. 39-14-801(c)(iii) to the road construction funds of the various counties shall be reduced by five million dollars (\$5,000,000.00);

(ii) The distributions under W.S. 39-14-801(c)(v) to the cities and towns shall be reduced by twelve million three hundred seventy-five thousand dollars (\$12,375,000.00);

(iii) The distributions under W.S. 39-14-801(c)(vi) to counties shall be reduced by ten

1 million one hundred twenty-five thousand dollars  
2 (\$10,125,000.00).

3

4 (b) All amounts which are not distributed under W.S.  
5 39-14-801(c) as a result of this section shall be deposited  
6 by the state treasurer to the general fund. The applicable  
7 reduction required by this section and the corresponding  
8 deposit to the general fund shall be made in full before  
9 any distribution is made pursuant W.S. 39-14-801(c)(iii),  
10 (v) or (vi).

11

12 **Section 3.** This act is effective July 1, 2005.

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(END)